

INCOME AND POVERTY

Gross State Product – The Gross Domestic Product (GDP) is the most widely used measure of the nation's production. It is the market value of goods and services produced over a given period of time. The Gross State Product (GSP) estimates, released biennially by the U.S. Bureau of Economic Analysis (BEA), are the states' counterpart to the estimates of the Gross Domestic Product. An industry's GSP is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries). GSP estimates are prepared in current dollars and in chained (1996) dollars. The chain-type annual-weighted indexes allow for the effects of changes in relative prices and in the composition of output over time. The GSP is published in the *Survey of Current Business* and is available on the BEA's GSP web site at (<http://www.bea.gov/bea/regional/gsp.htm>).

Personal Income – Income received by persons (individuals, owners of non-incorporated businesses, non-profit institutions, private trust funds, and private non-insured welfare funds). Income is estimated by place of work (including wages, salary and proprietors income paid) and by place of residence (total income of all persons residing in an area, including dividends, rents, and transfer payments). **Per capita income** is derived by dividing the total income for a particular group by the total population. The U.S. Bureau of Economic Analysis releases personal income for counties, states, regions, and the U.S. in the *Survey of Current Business*. BEA's personal income data is also available on the Regional Economic Information System (REIS) web site at (<http://www.bea.gov/bea/regional/data.htm>).

Money Income – Money income statistics are based on data collected by the U.S. Census Bureau and differ from the personal income data released by the U.S. Bureau of Economic Analysis. "Money income" covers money income received (exclusive of certain money receipts such as capital gains) before taxes, social security, union dues, and medicare deductions. Money income does not reflect that some families receive part of their income in noncash benefits. "Money income" includes income from private pensions and annuities and interpersonal transfers, such as child support which is income excluded from "personal income". Median household income is published biennially for states and counties, and is available at the census web site <http://www.census.gov/hhes/www/saipe/estatetoc.html>.

Poverty Level – Poverty level is defined as the minimum level of money income adequate for families of different sizes, in keeping with American consumption patterns. These levels are determined by comparing individual or family income with annual income thresholds adjusted annually by the U.S. government on the basis of an index originated by the U.S. Social Security Administration (see census web site www.census.gov/hhes/poverty/threshld.html). Poverty data are released biennially by the U.S. Census Bureau for states and counties. The poverty rate is the percent of individuals or households with incomes below the poverty income thresholds.

The **poverty thresholds** are updated each year by the U.S. Census Bureau. The thresholds are used mainly for statistical purposes. All official poverty population figures are calculated using the poverty thresholds

The **poverty guidelines** are issued each year in the *Federal Register* by the U.S. Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for use for administrative purposes – for example, determining financial eligibility for certain federal programs. Programs using the guidelines (or percentage multiples of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program and the Low-Income Home Energy Assistance Program.

Consumer Price Index – A measure of change, overtime, in the prices paid at retail by U.S. consumers for a fixed market basket of goods and services. The index is a number expressed in relation to a base period that has been assigned a value of 100. The most commonly used index is the U.S. City Average for all urban consumers (CPI-U), which covers about 80 percent of all noninstitutional civilian population. A consumer price index (CPI) comparable to the U.S. consumer price index is not available for Kentucky or its communities. The consumer price index is released monthly by the U.S. Bureau of Labor Statistics (BLS) at (<http://www.bls.gov/cpi/home.htm#data>).